

MEDIA RELEASE

STRAITS TRADING POSTS 2Q PATNCI OF \$25.3 MILLION

- *Straits Real Estate's assets under management grows to \$1.56 billion with expansion into South Korean logistics*
- *Improved contribution from ARA Asset Management Limited*

SINGAPORE – 14 August 2019 - The Straits Trading Company Limited ("**Straits Trading**" or the "**Group**") today reported profit after tax and non-controlling interests ("**PATNCI**") of \$25.3 million for the three months ended 30 June 2019 ("**2Q2019**"), compared to \$33.9 million a year ago ("**2Q2018**"). Correspondingly, earnings per share ("**EPS**") for the quarter was 6.2 cents.

On a half-year basis, the Group posted PATNCI of \$42.5 million for the six months ended 30 June 2019 ("**1H2019**"), compared to \$43.6 million a year ago. EPS was 10.4 cents.

KEY CORPORATE HIGHLIGHTS

During the quarter, Straits Real Estate ("**SRE**") deepened its footprint in the logistics sector with a new partnership in South Korea and continues to explore new projects in Australia. SRE has grown its assets under management to \$1.56 billion as at 30 June 2019.

In South Korea, SRE entered into a strategic partnership with IGIS Asset Management to create a portfolio of modern logistics facilities in the Greater Seoul area, alongside an initial capital commitment of KRW110 billion. The joint venture has since acquired a 50% stake in a 62,217 square metre (sqm) freehold site in Incheon for development into an approximately 190,000 sqm, five-storey ramp-up logistics facility. Construction of the facility is underway with completion expected by 1Q2021. The facility is strategically located and will offer attractive state-of-the-art facilities for tenants.

During the quarter, the Group's associate, ARA Asset Management Limited ("**ARA**") listed ARA US Hospitality Trust, the first US upscale select-service hospitality trust on the SGX-ST. ARA Group also launched the Xiamen ARA Qihang Equity Investment Fund, which is the first of a series of RMB-denominated funds focused on the Chinese real estate market. In July 2019, ARA established a joint venture with London-based Dunedin Property to invest and manage real estate assets in the United Kingdom.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "SRE is growing as a major real estate player in the region and targeting attractive investment opportunities underpinned by sustainable demand in the Asia Pacific. We also expect to continue to benefit from the growth of ARA's multi-platform, multi-product global fund management business. Our platforms are bearing fruits and we believe Straits Trading remains a strong value proposition for investors. We view Malaysia Smelting Corporation's migration to the Pulau Indah smelter by 2020 as a key catalyst for its longer-term growth."

She added, "However, with geopolitical uncertainties in play, we will take a disciplined approach in making investments with a deliberate longer-term view. In line with this, we will be focusing on regions with better fundamentals and themes that offer better risk-adjusted returns."

SEGMENT RESULTS

Real Estate Business

The real estate segment continues to be the main profit driver for the Group with PATNCI of \$26.2 million in 2Q2019, compared to \$34.1 million a year ago. The decline in profits was due to lower fair value gains from properties despite higher contributions from ARA Asset Management Limited.

Resources Business

The Group's resources arm posted PATNCI of \$1.5 million for 2Q2019, compared to \$0.5 million in 2Q2018. This was due to better performance from tin mining and smelting activities.

SUMMARY OF RESULTS:

S\$ million	2Q2019	2Q2018	% Chg	1H2019	1H2018	% Chg
Profit before tax	34.6	42.8	(19.0)	56.9	55.9	1.8
Profit after tax	28.9	36.5	(20.7)	47.6	47.6	-
PATNCI	25.3	33.9	(25.5)	42.5	43.6	(2.4)
EPS (Singapore ¢)	6.2	8.3	(25.3)	10.4	10.7	(2.8)

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is an investment company with stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities globally. It also owns a 20.95% stake in ARA Asset Management Limited, a premier global integrated real assets fund manager, and has a 30% interest in Far East Hospitality Holdings, a premier hospitality assets owner and operator. Straits Trading also engages in tin mining and smelting through its 54.8%-owned subsidiary, Malaysia Smelting Corporation Berhad that is dual listed on Bursa Malaysia and SGX-ST.

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For the full STC Financial Statements, please visit our website: www.stc.com.sg